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HB 71 Economic Development - Sunset Modifications

Utah Code §§63-55-209; 63-55-263 **Effective Date May 1, 2006**

This bill repeals the sunset review provision of the Utah Venture Capital Enhancement Act and makes certain technical changes to other economic development sunset provisions.

HB 95 Individual Income Tax Contribution for Community Spay and Neuter Programs

Amends Utah Code §59-10-551. Enacts Utah Code §§26-48-101; 26-48-102; 59-10-550.2 **Effective Date January 1, 2006**

This bill amends the Utah Health Code and the Individual Income Tax Act. This bill creates the Cat and Dog Community Spay and Neuter Program Restricted Account, provides that the restricted account shall earn interest, and provides that the interest shall be deposited into the restricted account; describes organizations to which the Department of Health shall distribute contributions made to the Cat and Dog Community Spay and Neuter Program Restricted Account; provides the purposes for which an organization that receives a distribution from the Department of Health may expend the distribution; grants rulemaking authority to the Department of Health; provides for an individual income tax contribution to the Cat and Dog Community Spay and Neuter Program Restricted Account; provides that if this contribution generates less than \$30,000 per taxable year for three consecutive taxable years, the State Tax Commission shall remove the designation for the contribution from tax returns and may not collect the contribution from a resident or nonresident individual; and makes technical changes.

HB 294 Creation of Education Fund

Utah Code §51-5-4 **Effective Date May 1, 2006**

This bill creates an Education Fund to receive all revenues from taxes on intangible property or from a tax on income; and makes technical corrections.

SB 37 Income Tax - Taxation of Individuals, Estates, and Trusts

Amends Utah Code §§19-1-403; 19-1-404; 19-2-104; 53B-8a-106; 59-2-102; 59-6-101; 59-6-102; 59-7-607; 59-7-614; 59-7-703; 59-10-103; 59-10-112; 59-10-114; 59-10-115; 59-10-201; 59-10-201.1; 59-10-202; 59-10-204; 59-10-205; 59-10-207; 59-10-210; 59-13-202; 62A-4a-607; 63-38f-402; 63-38f-412; 63-38f-413; 63-38f-501; 63-38f-502; 63-38f-503; 63-38f-1102; 63-38f-1110; 63-38f-1203; 63-55-209.

Enacts Utah Code §§59-10-209.1; 59-10-1001; 59-10-1002; 59-10-1101; 59-10-1102.

Renumbers and amends Utah Code §§59-10-1003 (renumbered from 59-10-106, as renumbered and amended by Chapter 2, Laws of Utah 1987); 59-10-1004 (renumbered from 59-10-108, as last amended by Chapter 73, Laws of Utah 2001); 59-10-1005 (renumbered from 59-10-108.1, as enacted by Chapter 272, Laws of Utah 1999); 59-10-1006 (renumbered from 59-10-108.5, as last amended by Chapter 25, Laws of Utah 1995); 59-10-1007 (renumbered from 59-10-108.7, as last amended by Chapter 148, Laws of Utah 2005); 59-10-1008 (renumbered from 59-10-109, as last amended by Chapter 198, Laws of Utah 2003); 59-10-1009 (renumbered from 59-10-127, as last amended by Chapters 108 and 294, Laws of Utah 2005); 59-10-1010 (renumbered from 59-10-129, as last amended by Chapter 113, Laws of Utah 2005); 59-10-1011 (renumbered from 59-10-130, as last amended by Chapter 145, Laws of Utah 2002); 59-10-1012 (renumbered from 59-10-131, as last amended by Chapter 59, Laws of Utah 1999); 59-10-1013 (renumbered from 59-10-132, as last amended by Chapter 59, Laws of Utah 1999); 59-10-1014 (renumbered from 59-10-134, as last amended by Chapters 217, 244 and 294, Laws of Utah 2005); 59-10-1015 (renumbered from 59-10-134.2, as enacted by Chapter 290, Laws of Utah 2005); 59-10-1016 (renumbered from 59-10-135, as enacted by Chapter 62, Laws of Utah 2002); 59-10-1103 (renumbered from 59-10-108.2, as last amended by Chapter 110, Laws of Utah 2003); 59-10-1104 (renumbered from 59-10-133, as last amended by Chapter 263, Laws of Utah 2005); 59-10-1105 (renumbered from 59-10-134.1, as enacted by Chapter 312, Laws of Utah 2003).

Repeals Utah Code §§59-10-107; 59-10-128; 59-10-209.

Effective Date January 1, 2006

This bill amends the Revenue and Taxation title and the State Affairs in General title relating to the income taxation of individuals, estates, and trusts.

This bill provides and modifies definitions; modifies the additions to and subtractions from federal taxable income of a resident or nonresident individual; modifies the adjustments to state taxable income for purposes of individual income taxes; addresses the calculation of state taxable income of a resident or nonresident estate or trust; modifies the additions to and subtractions from federal taxable income of a resident or nonresident estate or trust; modifies the adjustments to state

taxable income for purposes of income taxes on estates and trusts; modifies the fiduciary adjustments for purposes of income taxes on estates and trusts; creates the Nonrefundable Tax Credit Act and renumbers and amends as part of this Act the nonrefundable income tax credits authorized under the Individual Income Tax Act; creates the Refundable Tax Credit Act and renumbers and amends as part of this Act the refundable income tax credits authorized under the Individual Income Tax Act; addresses which of the nonrefundable and refundable income tax credits an estate or trust may claim; repeals obsolete language; and makes technical changes. This bill has retrospective operation for taxable years beginning on or after January 1, 2006.

SB 38 Individual Income Taxation of Certain Trust Distributions

Utah Code §§59-10-103; 59-10-114 **Effective Date January 1, 2006 (retroactive to January 1, 2004)**

This bill modifies the Individual Income Tax Act relating to the individual income taxation of certain trust distributions. This bill defines "distributable net income"; modifies an addition to income for certain distributions received by a resident beneficiary of a nonresident trust that was taxed at the trust level for federal tax purposes, but was not taxed at the trust level by any state; and makes technical changes.

SB 139 Reportable Transactions Act

Utah Code §§59-1-1301; 59-1-1302; 59-1-1303; 59-1-1304; 59-1-1305; 59-1-1306; 59-1-1307; 59-1-1308; 59-1-1309 **Effective Date January 1, 2007**

This bill amends the Revenue and Taxation title to create the Reportable Transactions Act. This bill creates a part known as the "Reportable Transactions Act"; provides definitions; requires a taxpayer to disclose a reportable transaction and provides procedures and requirements for making such a disclosure; requires a material advisor to disclose a reportable transaction and provides procedures and requirements for making such a disclosure; requires a material advisor to maintain a list containing certain information relating to a reportable transaction and provides procedures and requirements for maintaining the list; provides penalties; provides that the State Tax Commission may waive, reduce, or compromise a penalty for reasonable cause; and grants rulemaking authority to the State Tax Commission.

SB 4001 Income Tax Amendments (Fourth Special Session)

Utah Code §§59-10-103, 59-10-104, 59-10-104.1, 59-10-114, 59-10-115, 59-10-116, 59-10-117, 59-10-202, 59-10-303, 59-10-1002, 59-10-1005, 59-10-1201, 59-10-1202, 59-10-1203, 59-10-1204, 59-10-1205, 59-10-1206, 59-10-1207, 59-10-102, 59-10-105, 59-10-111, 59-10-112 **Effective Date January 1, 2007**

Effective for tax years beginning January 1, 2006, the bill modifies tax brackets to reduce taxes. This change affects the current tax year and will be reflected in the 2006 Utah Income Tax Return instructions and tax calculation worksheets for returns due on April 15, 2007. It provides for future tax bracket changes beginning January 1, 2009 based on the difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2007.

Effective for tax years beginning January 1, 2007, the bill implements a single rate tax calculation method, commonly referred to as a "flat tax" calculation. It allows taxpayers to choose a single rate of 5.35 percent with credits and limited deductions instead of the traditional bracketed rates with traditional deductions and credits. This change will affect future returns starting with the 2007 Utah Income Tax Return due April 15, 2008.